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TAGS: [EAID](#) [BR](#) [CI](#) [CO](#) [ECON](#) [JA](#) [MX](#) [NU](#) [PREL](#) [XM](#)
SUBJECT: REGIONAL PARTNERS SHARE CONCERNS ABOUT DIRECTION
OF ORTEGA GOVERNMENT

REF: A. MANAGUA 2384
[1](#)B. MANAGUA 2008

Classified By: Ambassador Paul Trivelli, 1.4, (b) and (d)

Summary

[1](#)1. (C) Ambassadors from Spain, Japan, Chile, Colombia, Brazil, and Mexico share similar concerns about the direction of Nicaragua under the Ortega Government. They are frustrated by the GON's lack of professionalism, transparency and accountability, and have a low level of confidence in the government's ability to successfully carry out economic or development programs. At the same time, they have found the government to be pragmatic on some economic and investment issues and many are seeking ways to continue to cooperate on the humanitarian front. All share grave doubts about the candidacy of former Catholic priest and ex-Foreign Minister Miguel D'Escoto for the UNGA Presidency, but are not aware of an alternative candidate. Ortega's continued overtures to North Korea are threatening to damage relations with Japan, including a cut in humanitarian assistance. End Summary.

[1](#)2. (C) On October 24, Ambassador held a breakfast with Brazilian Ambassador Vitoria Cleaver, Chilean Ambassador Natacha Molina, Colombian Charge Andres Gafaro, Mexico Ambassador Raul Lopez Lira and Spanish Ambassador Jaime Lacadena to review bilateral cooperation with the Ortega administration and exchange views on recent trends. Ambassador attended a dinner the same day with the Japanese Ambassador Saito and members of his mission staff on similar issues. All of these countries share a common interest in guiding and directing the GON along the right path.

Humanitarian Cooperation

[1](#)3. (C) Most of the Ambassadors had attended the October 23 meeting with President Ortega (ref a) to hear his request for additional aid to the victims of Hurricane Felix and the recent flooding in northern and central Nicaragua. Brazilian Ambassador Cleaver commented that he was more diplomatic than in recent meetings; toned down his rhetoric but also demanded that aid be given "without strings" to that it could be used more flexibly. All the Ambassadors noted that Ortega and others in his administration do not understand how other governments, and particularly their humanitarian assistance programs work; i.e., donor countries could not, and would not, hand over cash. Spanish Ambassador Lacadena echoed the

concerns of his colleagues that his mission holds very low confidence in the professionalism of the Ortega administration to carry out programs, and sees little or no accountability for the programs the administration does have.

Nonetheless, the Spanish government is seeking new ways to cooperate on the humanitarian front to address real and pervasive problems facing the country.

¶4. (C) The Ambassadors lamented that the Ortega administration has yet to draft an effective plan for long-term recovery and development in the RAAN after Hurricane Felix. Mexican Ambassador Lopez Lira noted, "we want aid to go to real development, like roads and infrastructure that will bring about permanent changes in the region." All Ambassadors expressed concern that disorganization, a lack of planning, and the apparent arbitrary distribution of aid unfortunately "will ensure" that the precarious situation on the Atlantic Coast remains the same and that donors will be facing the same problems when the next hurricane or disaster strikes the region.

Internal and Economic Situation

¶5. (C) Lacadena noted the continued contradiction between what Ortega says in public to appeal to his base and what the government, in general, has done in practice. While maintaining serious concerns about long-term economic prospects, he felt that the government has generally been pragmatic in its approach to the economy. Investment is welcomed, he commented, when the government can attract it and take the credit. However, most foreign investment isn't from multi-nationals but rather from smaller firms whose presence do not result in significant social investment or broader economic development. The Ambassador lamented the overall lack of social responsibility among the private sector and that the few who do something don't publicize it to generate more attention. Others expressed similar concern for long-term economic development and doubted whether the pragmatic course would continue, noting the increasingly populist rhetoric and actions, such as the UNGA speech and the temporary seizure of ExxonMobil assets at Corinto.

¶6. (C) On the political front, Brazilian Ambassador Cleaver commented that many of the NGOs with whom they maintain contact are worried about trends and are experiencing serious difficulties with the current government. They note an increasing climate of secrecy, and term dialogue with the administration on political matters difficult. Both the Brazilian and the Chilean Ambassadors observed that their countries have strong democratic and private sector institutions to see them through difficult periods; Nicaragua unfortunately lacks these institutions, raising doubts about the durability of democracy. Chilean Ambassador Molina commented that Ortega is another caudillo (strongman) who wants to be able to tell people what to do without regard to what they think or want. Mexican Ambassador Lopez Lira noted Ortega's comments at the October 23 meeting with donors and expressed the view that Ortega seems primarily interested in pursuing deeper bilateral relations with Cuba, Iran, Venezuela, Libya and Taiwan without regard to the concerns of others.

D'Escoto Candidacy for UNGA Presidency

¶7. (C) Ambassador questioned his counterparts on the candidacy of former Catholic priest and ex-FSLN Foreign Ministry Miguel D'Escoto Brockman for the Presidency of the UNGA (ref b). All Ambassadors expressed surprise that the GON nominated D'Escoto for the job and noted that the GON has been pushing hard for their votes. Chilean Ambassador Molina noted that Chile has orally pledged to support D'Escoto but that support was not firm. She and the others all expressed their own deep personal misgivings about the nomination and noted that he was unfit for the job. Brazilian Ambassador Cleaver commented that the position required flexibility and negotiation skills -- which D'Escoto clearly lacks and that

his candidacy would therefore be difficult. Mexican Ambassador Lopez Lira was not sure of his government's position for the candidacy but shared doubts about D'Escoto. Colombian Charge Gaforo expressed concern that D'Escoto would use the position to press Nicaragua's maritime boundary claims against Colombia over the waters near San Andreas island. None of the Ambassadors were aware of a possible candidate from the Dominican Republic, though they thought it would be a good idea. All noted the need for a consensus candidate and that D'Escoto wouldn't likely produce such a consensus.

North Korea damaging Nicaragua-Japan Relations

18. (C) In a subsequent dinner with Japanese Ambassador Saito and his senior staff, the Japanese expressed similar frustration with the Ortega administration, especially in regard to humanitarian assistance. Ambassador Saito said that although Japan has an image of being a country that offers "aid without ties" he asserted that Japanese aid is "always conditional." For Japan, there are two main conditions for aid - there must be a strong bilateral relationship between the GOJ and the country receiving aid and there must be "general agreement" on major foreign policy issues. According to Saito, Nicaragua is in danger of failing on this second condition because of its statements in sympathy with North Korea. Saito was alarmed that Ortega, during a recent conversation, demonstrated a lack of knowledge about the North Korea/Japanese abduction issue or even basic facts about the nuclear situation in North Korea. He was particularly disappointed that Ortega could make sweeping remarks about the rights of countries to obtain nuclear technology with such little knowledge of the actual geopolitical situation. Saito explained that Tokyo does not understand that Ortega is speaking without real understanding and views Ortega's comments and actions with deep concern. He also noted that Japan already was cutting its aid budget significantly across the board and that Nicaragua would see a serious drop.

19. (C) On Taiwan, Saito reported that he heard the Ortega administration had actually gone to the PRC to offer a switch of diplomatic recognition -- which was promptly turned down by the Chinese. Ambassador suggested that this was perhaps due to the visit of Taiwanese President Chen; Saito nodded his agreement with this analysis. Saito opined that Taiwan should be able to maintain diplomatic relations with Nicaragua for the next four to five years. Saito also commented that the Ortega administration is planning to launch a "development plan" to attract more foreign investment and had come to the Japanese for advice. The consensus among the Japanese participants was that this plan was unlikely to succeed and that the administration's recent actions and rhetoric had only served to frighten off foreign investment.

Comment

10. (C) Despite the range of foreign assistance and economic engagement among our diplomatic counterparts, we are struck by the similarity of views. All share a growing concern about the lack of professionalism, transparency, and accountability of the Ortega administration. Nonetheless they are seeking to continue, in some manner, humanitarian assistance to respond to real needs among the Nicaragua people and to expand opportunities for economic investment. It is not clear that the Ortega administration places the same value on that cooperation or that it understands the impact that its increasingly erratic and worrisome internal political and economic policies may eventually have on assistance levels.